

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation (EU) No .../... of the European Parliament and of the Council of ... amending Council Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and repealing Council Regulation (EC) No 165/94 and Council Regulation (EC) No 78/2008’

COM(2010) 745 final — 2010/0365 (COD)

(2011/C 218/25)

Rapporteur: **Seppo KALLIO**

On 18 January 2011, the European Parliament and the Council decided to consult the European Economic and Social Committee, under Article 42, Article 43(2) and Article 304 of the Treaty on the Functioning of the EU, on the

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The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 6 April 2011.

At its 471st plenary session, held on 4 and 5 May 2011 (meeting of 4 May), the European Economic and Social Committee adopted the following opinion by 150 votes to 6, with 9 abstentions.

1. Conclusions and recommendations

1.1 The European Economic and Social Committee (EESC) stresses that the European Common Agricultural Policy and its sound management are important for the whole food supply chain and for farmers. Farmers are very often burdened by the CAP's complex and cumbersome administrative procedures. If the proposal to reform and streamline the CAP increases administrative efficiency and improves authorities' scope for action, then it is justified.

1.2 The EESC draws particular attention to the fact that some of the new powers might mean that Member States incur higher administrative costs for the activities of paying agencies and certifying bodies. This problem should be avoided when implementing the proposal.

1.3 The EESC believes that further explanations should be provided on the extent of the powers to be granted to adopt delegated acts. The relevant provisions must be worded more clearly and precisely than they are in the Commission proposal.

1.4 The EESC believes it is important for the basic regulation to include all of the key rules which give concrete shape to the agricultural policy's fundamental principles. Powers can in other respects be transferred to the Commission. The scope of implementing powers in agricultural policy must be quite broad so that it can be managed effectively.

1.5 The EESC believes it is essential for the Commission to provide broad scope for consultation of Member States' experts when it adopts delegated acts. An open and broad consultation process can reduce the uncertainty and confusion which has

arisen while preparing the reform. Member States must have sufficient opportunities to have a say in the drafting of specific provisions.

1.6 The EESC expects the proposed amendments to streamline the financing and management of the EU agricultural policy, which would also entail simplification and cutting red tape. It is regrettable that, without expert help, it is really difficult to understand and interpret the financing regulations concerned. For this reason, the process of simplification must continue and be stepped up.

2. General

2.1 Article 290 of the Treaty on the Functioning of the European Union states that a legislative act may delegate to the Commission the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act.

2.2 Under Article 291 TFEU, where uniform conditions for implementing legally binding Union acts are needed, a legislative act shall confer implementing powers on the Commission to adopt implementing acts.

2.3 The aim of the Commission proposal is to give the Commission, on the basis of a legislative act, the power to adopt delegated acts (TFEU Article 290) or implementing rules (TFEU Article 291) in certain areas. As regards delegated powers, the Commission's competence in each individual issue is determined in the basic legislative regulation. The Commission consults Member States' experts when adopting delegated acts, but the comitology procedure is not followed in such matters. However, the Commission does follow the

comitology procedure when adopting implementing acts, in which case Member States' experts have the opportunity to comment and to vote formally on proposed legislation.

2.4 The proposal also seeks to simplify procedures by repealing two Council regulations. The regulatory provisions in question would be transferred to the proposed regulation. In addition, the proposal aims to reduce the administrative burden on Member States by simplifying recovery procedures.

3. Specific remarks

3.1 Traditionally, the Commission has enjoyed wide powers in agricultural policy. The Commission is now proposing that rules on supervision and management and specific obligations be adopted as delegated acts. There have already been occasional difficulties in the interpretation and national application of payment, accounting and monitoring systems for existing agricultural support. It is appropriate to ask whether the delegated acts provide better conditions for financial management. There is also a risk that introducing delegated acts may mean higher costs for Member States in the management and monitoring of support.

3.2 The Commission proposal contains over a dozen points granting powers to adopt delegated acts. These powers concern, among other things, the obligations of paying agencies and adopting procedures, as well as the appointment of certifying bodies, sound management of appropriations and publication of information on subsidies. The precise nature of the delegated powers and the scope of the remit given to the Commission raise several questions. The proposed powers appear to be too broad and too general.

3.3 In particular, a more precise wording of the obligations of the certifying bodies is needed, since the proposal must not entail a broadening of their remit.

3.4 The proposal also contains new points concerning powers to adopt implementing acts. These powers concern adherence to fiscal discipline, rules on submitting documents to the Commission and account clearance. The purpose of these powers seems to be better defined than in the case of delegated acts.

Brussels, 4 May 2011.

The President
of the European Economic and Social Committee
Staffan NILSSON
